

FROM THE PRESIDENT

The 2022 legislative session has come to a close, and we've given Petroleum Alliance members plenty to celebrate.

The Alliance was diligent in promoting your interests at the state Capitol, and the success



we saw this year may very well serve as the legislative high-water mark for this organization (at least until we eclipse it next year).

We saw lawmakers approve and Gov. Kevin Stitt sign nine pieces of Alliance priority legislation into law thanks to the work of The Alliance's Legislative Committee, its lobby team and our member companies who continue to implore Oklahoma

lawmakers to prioritize the oil and natural gas industry.

We restored tax provisions for economically at-risk wells and secondary and tertiary recovery projects. We created a tax provision for emissions controls expenses and another one for using recycled water during well completions.

We passed legislation two years in the making that provides funding for road improvements in small communities where oil and gas traffic has increased, helping our members better navigate city government challenges to their ops planning.

Additional legislation ensures our industry will not be harmed if anti-oil and gas rhetoric continues to trickle into Oklahoma by preventing our state government from spending taxpayer dollars with vendors that have chosen to boycott oil and gas, preventing localities from forcing gasoline stations to install electric vehicle chargers, and preventing them from crafting power generation policies that exclude natural gas as a solution.

We also worked to ensure that legislation negatively impacting the state's oil and gas industry was not considered. In most cases, The Alliance's stated opposition to those bad bills was enough to kill them quickly.

Perhaps our largest victory didn't come at the Capitol, but across the street from it. The Alliance rode to the rescue when Oklahoma Attorney General John O'Connor sent letters to oil and natural gas companies telling them they would face lawsuits for saving lives during Winter Storm Uri in February 2021. In two days' time, the AG had reversed course on his threat to sue for price gouging thanks to the intervention of The Alliance team and a two-hour meeting with The Alliance's Legal Committee where O'Connor was forced to defend his actions. The AG's change of position means our members saved tens of millions of dollars in legal fees and potentially billions of dollars in repayments for natural gas sales if those lawsuits had been successful.

Thank you for your support of our advocacy efforts and our organization as a whole. You can rest assured knowing The Petroleum Alliance is working on your behalf each and every day.

Brook A. Simmons President

PETROLEUM ALLIANCE LEGISLATIVE COMMITTEE

Derek Albro (Chair) - Devon Energy Corporation Mike McDonald (Vice Chair) – Triad Energy, Inc. Katie Altshuler - Marathon Oil Jeff Applekamp — Energy Transfer Matt Barr – Midship Pipeline/Cheniere Energy Justin Byrne – Canvas Energy Patrick Craine – Gulfport Energy Corporation Brent Cummings – Cummings Oil Company Dusty Darr - ONEOK, Inc. Molly Doran – Plains All American GP LLC Lavelle Edmondson – Marathon Petroleum Corporation Todd Ennenga — Halliburton Brian Exline - Red Bluff Resources Stephen Flaherty – Coterra Energy Justin Foley — Maverick Natural Resources, LLC Bret Fox - DCP Midstream Garrison Haning – Magellan Midstream Partners Drew Harding – Unit Corporation Bruce Heine - Magellan Midstream Partners Tanner Horn — Diversified Energy Company Devin Hotzel - Enbridge Energy Company, Inc. Ethan D. House — EnergyNet, Inc. Will Houser - Continental Resources. Inc. Greg Hoyer - Diversified Energy Company Blu Hulsey - Continental Resources, Inc. Katie Jones - Crawley Petroleum Corporation Adam Keyes - Valero Energy Corporation Spencer Kimball – EOG Resources Julie Klumpyan – Valero Energy Corporation David D. Le Norman — Reign Capital Holdings LLC Loren H. Locher – TC Energy Shea Loper — Ovintiv, Inc. Lindsay Lucas - Diversified Energy Company Sam McCurdy – Red Bluff Resources Chad McDougall – JMA Energy Company, L.L.C. Valerie Mitchell – Troy Energy E&P, LLC Mark Nichols - Koch Industries Danny Nixon – Energy Transfer Kate Noble - Plains All American GP LLC Darrell Noblitt – WtW Tools, LLC Craig Perry - ONE Gas, Inc. Rand Phipps – Mustang Fuel Corporation Stephanie Phipps – Mustang Fuel Corporation Daniel Reim – Diversified Energy Company Gabriel Sepulveda – Williams Shelley Shelby - Continental Resources, Inc. Steve Slawson – Slawson Exploration Co. Inc. Jeff Starling – Lagoon Water Midstream Patrick Whalen – Lagoon Water Midstream Paul Willis – Diversified Energy Company Jeff Wilson – Devon Energy Corporation Brian Woodard – Chesapeake Energy Corporation

IEGISLATIVE SCORECARD

Oklahoma state senators and representatives started the 2022 legislative session with 3,201 bills and 93 joint resolutions to be considered. Included in that legislation were nine proposals identified by The Petroleum Alliance Legislative Committee as "priority" bills for the oil and natural gas industry and are the benchmarks used to determine how state elected officials have supported the state's defining industry. A tenth bill, which would have made it harder for employers to offer affordable health benefits to workers was opposed by the Alliance as well as a broad group of businesses and industry associations.

This scorecard was created for Petroleum Alliance members and supporters to see how lawmakers and the legislature overall measure up on energy industry issues. This scorecard is for informational purposes and does not reflect an endorsement of legislators who scored well or a rejection of those with low scores. Senate and House votes and the ultimate outcome of legislation reveal where the legislature stands on issues that affect Oklahoma's defining industry. Legislation used to determine each lawmaker's scoring is listed below.

OIL & GAS LEGISLATION

HB3568 — Creates the Oklahoma Emission Reduction Technology Incentive Act but also includes a slate of tax rebates for Oklahoma oil and natural gas producers. Rebates included are:

- \$10 million per year for implementing qualified emission reduction projects, with the Department of Environmental Quality approving all claims for a rebate payment.
- \$10 million per year for economically at-risk wells, providing a gross production tax refund when the price of oil falls below \$50 or the price of natural gas is below \$3.50.
- \$15 million per year for new secondary and tertiary recovery projects.
- \$10 million per year for wells completed using recycled water. The refund will be proportional to the percentage of the total amount of water used to complete the well that is recycled water.

HB3037 — Creates the Municipal Road Drilling Activity Revolving Fund that would allocate money to municipalities for road repairs in areas of increased oil and gas activity. The legislation is the result of a twoyear, collaborative effort between the oil and natural gas industry, Oklahoma municipalities, local elected officials, and state lawmakers. A portion of the state gross production tax on oil and natural gas is already allocated to counties to assist with road maintenance in areas of increased oilfield activity. Municipalities are not included in that allocation, and this legislation gives cities and towns access to funding in areas of increased economic activity.

HB2034 — The Energy Discrimination Elimination Act would require the state treasurer to compile a list of financial companies that boycott oil and natural gas companies. Under the proposal, companies working with the state would need to verify they do not have such policies in place to continue their contracts or begin new ones. If no notice is received, or if the company has a policy in place to prevent work with energy companies, those corporations would have a window to make changes before the state divests its assets.

SB1410 — Creates the Oklahoma Emergency Energy Availability Act of 2022, requiring any government entity that has an energy policy to develop an emergency energy plan detailing methods or sources of energy during a state of emergency. Those plans may not rely on energy from a single source and must develop policies for the acquisition of electrical power generated from at least three distinct energy sources.

SB1352 — Creates the Consumer Energy Choice Act, prohibiting cities, towns and counties from adopting rules limiting consumer access to energy sources. The legislation effectively prevents communities from banning internal combustion vehicles or forcing convenience stores and gas stations to install electric vehicle chargers.

HB3039 — Fixes a conflict between Oklahoma Corporation Commission rules and state statutes, allowing the OCC to issue a permit in some circumstances prior to an order being final.

AD VALOREM REFORM

HB2627 — Requires taxpayers to submit information explaining their ad valorem protest to a county assessor and allows schools to be notified when a protest is filed that will affect their district. The bill also ensures county assessors receive the help they need to evaluate complicated assets but will keep third-party appraisers out of the negotiation process.

HB3901 — Moves ad valorem protest appeals out of district court and redirects them to the Court of Tax Review, which will provide an expert review of each case and expedite the process.

HYDROGEN LEGISLATION

SB1856 — Directs the office of the Secretary of Energy and Environment to create and administer a grant program for entities utilizing sequestration of carbon captured from the production of hydrogen from natural gas.

BUSINESS LEGISLATION

SB1860 — Opposed by The Petroleum Alliance, the legislation would make it harder for employers to offer high-quality affordable health benefits to employees, creating higher out-of-pocket costs on prescriptions, more expensive premiums and higher deductibles. The bill would also prohibit businesses from offering access to certain lower-cost pharmacies and services. Lawmakers originally approved the legislation but recalled it from the governor's desk after concerns of a gubernatorial veto arose.

IEGISLATIVE SCORECARD

ALLIANCE ALL-STARS

Four Oklahoma legislators had a 100% voting record on legislation identified by The Petroleum Alliance as "priority" bills for the 2022 legislative session.



Sen. Julie Daniels R-Bartlesville 100%



Rep. Mark McBride R-Moore 100%



Rep. Marilyn Stark R-Bethany 100%



Rep. Kevin West R-Moore 100%

SENATE

Julie Daniels, R-Bartlesville	100%	Chris Kidd, R-Ringling	87%
Kim David, R-Porter	97%	Kevin Matthews, D-Tulsa	87%
John Montgomery, R-Lawton	97%	Cody Rogers, R-Tulsa	87%
Bill Coleman, R-Ponca City	90%	Paul Rosino, R-Oklahoma City	87%
JJ Dossett, D-Sperry	90%	James Leewright, R-Sapulpa	84%
Jo Anna Dossett, D-Tulsa	90%	Roger Thompson, R-Okemah	84%
John Haste, R-Broken Arrow	90%	Chuck Hall, R-Guthrie	81%
Darcy Jech, R-Kingfisher	90%	Casey Murdock, R-Felt	81%
Lonnie Paxton, R-Tuttle	90%	Joe Newhouse, R-Tulsa	81%
Roland Pederson, R-Burlington	90%	Tom Dugger, R-Stillwater	80%
DeWayne Pemberton, R-Muskogee	90%	Kay Floyd, D-Oklahoma City	80%
Adam Pugh, R-Edmond	90%	Shane Jett, R-Shawnee	80%
Dave Rader, R-Tulsa	90%	George Young, D-Oklahoma City	80%
Frank Simpson, R-Ardmore	90%	Micheal Bergstrom, R-Adair	78%
Rob Standridge, R-Norman	90%	Nathan Dahm, R-Broken Arrow	78%
Brenda Stanley, R-Oklahoma City	90%	Greg Treat, R-Oklahoma City	78%
Blake Stephens, R-Talequah	90%	Michael Brooks, D-Oklahoma City	77%
Zack Taylor, R-Seminole	90%	Julia Kirt, D-Oklahoma City	77%
Darrell Weaver, R-Moore	90%	Marty Quinn, R-Claremore	75%
Mark Allen, R-Spiro	87%	David Bullard, R-Durant	74%
George Burns, R-Haworth	87%	Jake Merrick, R-Yukon	71%
Jessica Garvin, R-Duncan	87%	Warren Hamilton, R-McCurtain	70%
Carri Hicks, D-Oklahoma City	87%	Greg McCortney, R-Ada	70%
Brent Howard, R-Headrick	87%	Mary Boren, D-Norman	60%

HOUSE OF REPRESENTATIVES

		RESENTATIVES		
Mark McBride, R-Moore	100%	Chris Sneed, R-Fort Gib	son	81
Marilyn Stark, R-Bethany	100%	Forrest Bennett, D-Okla	homa City	80
Kevin West, R-Moore	100%	Rusty Cornwell, R-Vinita		
Mauree Turner, D-Oklahoma City	97%	Bob Ed Culver, R-Talequah		
Mike Osburn, R-Edmond	94%	Mike Dobrinski, R-Okee	ne	80
John Pfeiffer, R-Orlando	94%	Gerrid Kendrix, R-Altus		80
Sherrie Conley, R-Newcastle	91%	Jim Olsen, R-Roland		80
Chris Kannady, R-Oklahoma City	91%	Randy Randlemann, R-Eufala		80
Mark Lepak, R-Claremore	91%	Jacob Rosencrants, D-Norman		80
Ryan Martinez, R-Edmond	91%	John Talley, R-Stillwater		80
Rhonda Baker, R-Yukon	90%	Marc Vancuren, R-Owasso		80
Steve Bashore, R-Miami	90%	John Waldron, D-Tulsa		80
Jeff Boatman, R-Tulsa	90%	Carol Bush, R-Tulsa		
Trey Caldwell, R-Lawton	90%	T.J. Marti, R-Broken Arrow		
Denise Crosswhite Hader, R-Yukon	90%	Ty Burns, R-Morrison		
David Hardin, R-Stilwell	90%	Chad Caldwell, R-Enid		77
Dell Kerbs, R-Shawnee	90%	Mickey Dollens, D-Oklahoma City		77
Dick Lowe, R-Amber	90%	Andy Fugate, D-Oklahoma City		77
Robert Manger, R-Oklahoma City	90%	Jim Grego, R-Wilburton		77
Stan May, R-Broken Arrow	90%	Ronny Johns, R-Ada		77
Charles McCall, R-Atoka	90%	Ken Luttrell, R-Ponca City		77
Eric Roberts, R-Oklahoma City	90%	Cyndi Munson, D-Oklahoma City		77
Sean Roberts, R-Hominy	90%	Carl Newton, R-Woodward		77
David Smith, R-Stuart	90%	Trish Ranson, D-Stillwater		77
Danny Sterling, R-Tecumseh	90%	Judd Strom, R-Copan		77
Max Wolfley, R-Oklahoma City	90%	Josh West, R-Grove		77
Avery Frix, R-Muskogee	88%	Merelyn Bell, D-Norman		75
Jon Echols, R-Oklahoma City	87%	Dustin Roberts, R-Durant		75
Ross Ford, R-Broken Arrow	87%	Cynthia Roe, R-Lindsay		75
Brian Hill, R-Mustang	87%			75
Mark Lawson, R-Sapulpa	87%	-		74
Kevin McDugle, R-Tulsa	87%			74
Nicole Miller, R-Edmond	87%			74
Daniel Pae, R-Lawton	87%			74
Jay Steagall, R-Yukon	87%	···· , · · · · · · · · · · · · · ·		74
Fammy Townley, R-Ardmore	87%	Collin Walke, D-Oklahoma City		74
Tammy West, R-Bethany	87%	Marcus McEntire, R-Duncan		71
Danny Williams, R-Seminole	87%	Lonnie Sims, R-Jenks		71
Brad Boles, R-Marlow	84%	Melodye Blancett, D-Tulsa		70
Eddy Dempsey, R-Valiant	84%	Rande Worthen, R-Lawton		70
Toni Hasenbeck, R-Elgin	84%	Emily Virgin, D-Norman		64
Monroe Nichols, D-Tulsa	84%	Tom Gann, R-Inola		60
Jadine Nollan, R-Sand Springs	84%	Wendi Stearman, R-Col	linsville	60
Melissa Provenzano, D-Tulsa	84%	Rick West, R-Heavener		60
Preston Stinson, R-Edmond	84%	Tommy Hardin, R-Madil		54
Dean Davis, R-Broken Arrow	81%	Denise Brewer, D-Tulsa	No score/Misse	
Scott Fetgatter, R-Okmulgee	81%	Sheila Dills, R-Tulsa		
Kyle Hilbert, R-Depew	81%	Gary Mize, R-Edmond No score/Missed vo		
JJ Humphrey, R-Lane	81%	Ajay Pittman, D-OKC	No score/Misse	
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METHODOLOGY – Bills used to determine these scores – SB1856, HB3037, HB3039, SB1352, HB3568, SB1410, HB3901, SB1860, HB2034 and HB2627. All bills were sent to the Governor. The last floor vote was used to determine the legislator's position. All legislators start at 100 percent and each vote against The Petroleum Alliance of Oklahoma position results in 10 points being deducted. A missed vote will result in a loss of three points. A missed vote for a legislator taking constitutional privilege will not result in the loss of any points. If a legislator missed more than half of the votes, they will not receive a score.









CLUB OF OKLAHOMA











ADVOCACY IN ACTION

As the leading advocate for Oklahoma's oil and natural gas industry, The Petroleum Alliance works on your behalf at the Oklahoma legislature, the Corporation Commission and other government bodies where our business interests are at risk. The most important weapon in our arsenal has been our organization's willingness to support our political allies through the organization's Wildcatters Club and the Petroleum Alliance PAC.

The oil and natural gas industry is always a potential target for punitive legislation and regulation. The Wildcatters Club is a key reason The Petroleum Alliance has been able to not only deflect negative legislation, but also to be proactive in pushing for laws that strengthen our state's oil and natural gas industry.

With your contribution you can assist in the election of officials who help pass or defeat legislation and influence regulations that affect your business every day. The Wildcatters Club needs your contribution in order to be an even more effective advocate for members of The Petroleum Alliance and the oil and natural gas industry as a whole.

Personal contributions to the Wildcatters Club are considered donations to the Petroleum Alliance PAC and are used to support political candidates and elected officials who have shown strong support of Oklahoma's oil and natural gas industry. One-hundred percent of personal contributions to the PAC go directly to these candidates and lawmakers seeking re-election. Corporate contributions are used to support Wildcatters Club events and industry advocacy efforts.

Wildcatters Club Contribution Levels

Inner Circle - \$5,000/year

The Wildcatter Inner Circle is the most exclusive and important industry group in Oklahoma and is made up of CEOs, company presidents and company owners. Membership is reserved for individuals and companies who are committed to maintaining the oil and natural gas industry's predominant place in the Oklahoma political arena.

Council - \$2,500/year

The Wildcatter Council is the second tier of support designed to introduce young executives and new company owners to the importance of political advocacy.

Black Gold - \$1,000/year

Black Gold Wildcatter membership is ideal for mid-level managers and veteran oilfield professionals who have staked their livelihood on Okahoma's oil and natural gas industry.

Wildcatter - \$500/year

The basic Wildcatter membership is designed to provide entry-level oil and natural gas industry professionals the opportunity to participate in The Alliance's political efforts.

Prospector - \$250/year

Reserved for members of the Alliance's NextGen program, the Prospector level gives young professionals under 30 the opportunity to participate in the organization's political efforts.



One of the largest state business PACs in the country



Exclusive opportunities to meet political candidates



Join the Wildcatters Club today! Contact Keith Beall at keith@okpetro.com.

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